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FOREIGN SERVICE DESPATCH

704
DESP. NO.

FROM : AmEmbassy, Accra

TO : THE DEPARTMENT OF STATE, WASHINGTON.

May 13, 1959
DATE

REF : Embassy Telegram No. 626, May 9, 1959.

15 For Dept. Use Only	ACTION AF-5	DEPT. RM/R-2 REP-1 IRC-8 E-7 ICA-11 W/MSC-3 C-1 G-1 S/S-3 W/CE REP-1
	REC'D 5/19	INFO OTHER CIA-10 COM-10 JTR-3

SUBJECT: Volta River Project: Letter from Ambassador to the Prime Minister

There is enclosed a copy of my letter of May 9 to the Prime Minister, which I handed to the Minister of External Affairs (Ako ADJEI) on May 9.

The text of the letter incorporates the changes specified in the Department's telegram No. 588 of May 8. Actually, only one change was necessary, and that was in the last paragraph. The Department had directed that another change be made in the third paragraph, but the Department's words were exactly the same as they stood in the text transmitted in the Embassy's telegram No. 618 of May 7. The Embassy concluded that there had been a garble in its telegram No. 618 as received in the Department which caused the Department either to suggest new words or at least to remove any doubt about what the words should be.

The Prime Minister returned to Accra yesterday. He has asked me to come to see him tomorrow morning to discuss the letter. This despatch is to go forward by an accompanied pouch which leaves Accra this afternoon.

DEPARTMENT OF STATE
DATE 14 MAY 1982
REVIEWED BY
RDS or XDS EXT. DATE
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Wilson C. Flake
Wilson C. Flake
Ambassador

Enclosure:

1. Copy of letter May 9 from the Ambassador to the Prime Minister

FILED
JUN 23 - 1959

WCFlake/avb
REPORTER

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ACTION COPY — DEPARTMENT OF STATE

The action office must return this permanent record copy to DC/R files with an endorsement of action taken.

This Document must be Returned to the RM/R Central Files

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Encl. No. 1
Desp. No. 704
From Accra

EMBASSY OF THE
UNITED STATES OF AMERICA

ACCRA
May 9, 1959.

Dear Mr. Prime Minister:

Since my formal acknowledgement of your letter dated March 14, my Government has given careful consideration to your letter, the recently released Reassessment Report on the Volta River Project, and the formal record of your meeting with Mr. Edgar Kaiser on March 14. In addition, officials of my Government have had personal meetings with Mr. Edgar Kaiser and Mr. Chad Calhoun to discuss the conversations which Mr. Kaiser and Mr. Calhoun have had with you and officials of your Government.

Knowing the importance you and your Government have attached to the Volta River Project, my Government was pleased to learn of the favorable nature of the Reassessment Report and noted with interest the decision of your Government, in furthering your determination to see that power is generated from the Volta River as quickly as possible, to finance a contract which will initiate immediately preliminary work at the dam site.

With reference to your request that the United States assist Ghana in seeking to interest industries which would be large consumers of power generated from the Volta River, my Government wishes to reaffirm its desire to be helpful in the economic development of Ghana. This desire, which President Eisenhower stated in his letter to you of January 3, 1958, was reiterated by President Eisenhower in his conversation with you in Washington this past July. In this connection, and more specifically with regard to the efforts of my Government to interest United States aluminum companies in Volta power, United States officials during the past year have been in touch with officials of the aluminum industry in the hope that they might find it practicable to establish or participate in the establishment of an aluminum industry in Ghana. This led to the initiation of discussions some months ago among members of the aluminum industry themselves, and these discussions are continuing in an effort to determine the possibility of forming a combination of companies to undertake a project of a size which would provide a sufficient market for the generation of power envisaged.

Concerning the efforts of the United States Government to interest other United States industries which are large consumers of power in establishing plants in Ghana which would provide a further market for Volta power, United States officials will, as they have done during the past year, continue to discuss the Volta Project with officials of such United States industries. This is in addition to the usual type of publicity given by the United States Department of Commerce to opportunities for foreign investments on the part of American companies. Several American companies are now giving careful and analytical consideration to the Reassessment Report and the potentialities of the Volta Project for United States investors, but it will, of course, take some time before any concrete results can be expected.

With reference to your request that the United States assist Ghana in working out a plan for the financing of the construction of the dam and power installation, my Government wishes to reiterate its sincere desire to help Ghana in such ways as are within the limitations of its resources and other heavy commitments

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throughout the world. In the President's letter and during his conversation with you in Washington, he indicated that the active participation of the aluminum industry and its ability to undertake the mining and manufacturing part of the Project are essential to the success of the total Project, particularly in view of its great magnitude. The President also said that when there is firm indication of intention from the aluminum industry to participate and necessary assurances of financial support from either private or public sources for a major part of the financing, the United States Government will be pleased to explore with you what possible assistance it might be able to provide toward financing a portion of the hydroelectric project. My Government's position in this regard remains unchanged. It, therefore, will be pleased to learn of the results of the talks now being held within the aluminum industry.

Sincerely yours,

(WILSON C. FLAKE)

Ambassador of the
United States of America

The Honorable
Dr. Kwame Nkrumah,
Prime Minister of Ghana,
Accra.

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